

### **Summer drawing to a Close**

It's hard to believe that summer is quickly drawing to a close. It seems like it's been fairly quiet – fractionally wise. But if you've been watching the market, the prices of material have continued to climb. But the quality of the material, while good, isn't the higher-end examples. These are sitting in a number of collections and probably won't show-up on the market for awhile. I understand that the majority of the Ford holdings of regular issue material has pretty much been sold at auction. There's supposedly a large amount of experimental and other material still to be auctioned. But as of yet, we've not heard from Stack's as to their plans for the sale of the additional material.

### **Fractional Web Site**

If you recall, Paul Burkhard of Silver Penny used to maintain a great web site on Fractional Currency. That site disappeared, as did Paul, several years ago. Since that time several of us have talked about resurrecting another site with the same wealth of information. Fortunately for us, David Treter has been working on building another site. However, like many of us, he's working on this in his spare time with the materials he's been gathering. If you have any material, web authoring skills or can offer him some help, please consider contacting Dave and offering your time and talents to this great undertaking.

### **This is your newsletter too!**

It's our involvement in this small part of numismatic history that helps melt the miles that separate us. We can count among our members individuals with over 40 years experience in this field of collecting, while others have just begun. Some of us have learned a great deal because others have taken the time to share a part of their experiences and knowledge with us. I've learned some interesting things from some folks that are relatively new. So why don't you take a few minutes and write a brief article about your experiences, your collection and how you got started, or perhaps write on a local coin show you may have gone to and what you saw on the floor. Perhaps you have some unique or high-quality notes that you can send images of to share (I'll protect your identify if you wish). So take a moment, think about your collection and experiences, and draft an article that we can share with others... ☺

Until next time...

FCCB  
C/o Jerry Fochtman  
2818 Mountain Green Trail  
Kingwood, TX 77345  
(281) 361-8948  
jfochtman@bradmark.com

# Thoughts on Memphis and other topics

Hello and I hope this newsletter finds you all well. I hope the summer heat is not adversely affecting you. It is a rarity indeed when Texas is one of the cooler spots in the nation! I hope all is going well with your hobby life as well.

The International Paper Money Show in Memphis was great. Fulfilling my duties as President of the SPMC did not allow me a lot of time on the floor to look for things. It was a great show though. Lyn Knight did an exceptional display of the 30 years of Memphis and had a lot of pictures for viewing. Many of our members were shown, including me without a basketball belly and with hair!

I was flattered and quite surprised to be given an ANA President's award by Bill Horton. I thank Bill and the ANA! As far as fractional on the floor, there was not a lot of new items, but a lot of fractional and more and more slabbed notes. I did not hear of any great finds on the floor. I did get a whale of an item—an original copy of the Federal Register that has the passage of the law monetizing postage stamps! What reading!

At the FCCB meeting, we had about 25 people in attendance. Unfortunately, Bill Brandimore and I were the only officers at the meeting. Bill gave some membership updates and our group seems to be doing well. There was a lot of excitement in the room about the hobby and a lot of new faces in the crowd. At the meeting, for the first time in a long time, we had someone step up to the plate and say they wanted to be an officer! Mike Marchioni put his name in the hat for VP, so as per our usual, whenever anyone steps up, we wholeheartedly allow it. Congratulations to Mike and welcome! *Next year I am putting him up for President!*

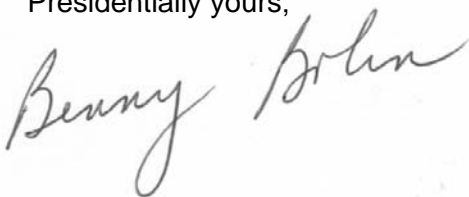
We had five really nice exhibits and for the first time in a long time, a really competitive race for the three prizes. Congratulations to the winners and thanks to all who exhibited. I encourage you to exhibit next year as well. Also, thanks to Len and Jean Glazer for once again donating wonderful plaques for the first, second and third places and to Martin Delger for doing such a great job as exhibit chairman.

We did not have an official program, so I decided to just have an open forum. I get concerned when that is the option because a lot of times, no one will speak up. So, I tried a new tactic—stating a controversial point and drawing people into the discussion (*aka manipulating conversation*). It worked! We had a very spirited debate on the current state of the hobby and the high prices that third party graded notes are bringing. I still have some concerns about all of this and only want to encourage the new collectors, and established ones as well, to know how to grade, know variations and valuations and **“buy the note, not the holder!”**

Dr. Lee was not able to make the show, but a number of you are in arrears with your dues. Please remit them ASAP. As far as I know, there is nothing new on the horizon as far as major sales of fractional. We still have not heard about the next Ford installment of fractional. If you have interesting items to add, Jerry is always looking for new stuff for the newsletter.

Until next edition—Happy Collecting and stay cool!

Presidentially yours;





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# Memphis 2006

By

*Mike Marchioni*

I have had the pleasure of attending nearly all of the 30 International Paper Money Shows in Memphis and have always enjoyed the opportunity to see old friends, visit with longtime dealers, and discuss the state of the hobby with FCCB members. This year's Memphis show was different than most, however.

First, my usual travel buddy (my brother Vic) was unable to attend; instead, I was accompanied by my brother-in-law, and FCCB member, Nick York (who graciously drove from New Jersey to Johnson City, Tennessee, and then to Memphis – an 1,100 mile plus one-way trip!). Second, many of my “regular” old friends and auction bidding adversaries were missing. (Art Paradis, Bob Laub, Tom O'Mara, and Howard Cohen, to name but a few, were not in attendance.)

There were also some significant positive differences in Memphis this year. Lyn Knight provided a magnificent pictorial panoramic display entitled, “Thirty Years of Memphis.” I actually had some hair atop my head 30 years ago, along with a full beard! The number of dealers with decent inventories of fractional has grown substantially. Unfortunately (for me), Len Glazer garnered most of the new material on the floor before I arrived on the scene. However, I still found several nice pieces at affordable prices.

The number of “slabbed” fractionals for sale far exceeded those I have ever seen at a show. Yet I was dismayed as to the grades that were assigned to much of the slabbed fractional. I expected some of the comments as justification for the grade, such as irregular margins, right margins, rounded corners, etc. Instead the notes were predominately listed as “exceptional paper quality”, or some other paper condition and nothing about the other characteristics of the note.

Finally, the bourse had a frenetic flavor to it, quite similar to what I had witnessed in Memphis in 1979. Notes were trading from collector to dealer and dealer to collector at a feverish pace. I sold one note to a dealer at \$400 above “Green Sheet” bid; it was then sold to another dealer and then to a third dealer – all in less than two hours.

Unfortunately, I did not have as much time to socialize as I would have liked. I had an opportunity to visit with Al Glaser, Doug Hales, Benny Bolin, and Martin Gengerke. I also enjoyed a wonderful dinner at the Peabody Hotel with Rob Kravitz.

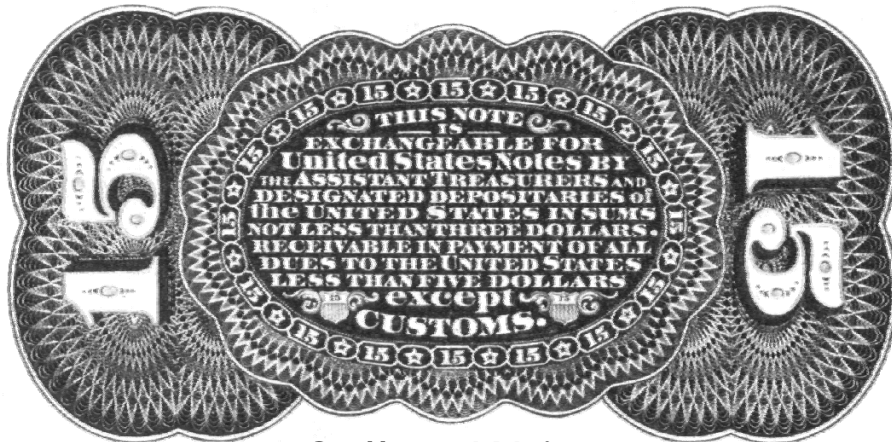
Bright and early on Saturday, Nick and I began our 500 plus mile trip back to Johnson City; therefore, I missed the FCCB meeting and raffle. Memphis is a wonderful show for fractional enthusiasts, and I hope more FCCB members will make it to Memphis in 2007.



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## Member's Trading Post

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(Current FCCB Members are welcome to submit requests for one (1) Trading Post notices for each issue. Simply e-mail your request to [jfochtman@bradmark.com](mailto:jfochtman@bradmark.com))



# Do Professional Grading Services Eliminate Caveat Emptor?

By  
*Jerry Fochtman*

Over the last year we've witnessed a large growth in the use of professional grading services by individuals and dealers in the sale of Fractional Currency. There have also been articles published that have discussed the benefits of using these services to those wishing to invest in currency as well as the benefits to those selling notes as oppose to buying/selling 'raw' notes. While in theory this sounds like an ideal approach to transacting in collectable currency, let's take a look at the practice.

Assessing the quality/grade of a note is still someone's opinion. Indeed there are attributes that most everyone would agree either detract or add desire (e.g. value) to a particular example. However, there really is no one 'official' standard that everyone adheres to. (Standards are like statistics...pick the one you want to support your opinion.) And while there are attributes that are generally acceptable, the final assessment still boils down to an opinion. However, a factor that I incorporate in weighing one opinion verses another is the knowledge and experience of the individuals involved. How long have they been involved in the particular field of currency? How many different examples of a note have they examined? What is the depth of their knowledge in the period, manufacturing process and materials used?

The examples presented were taken from recent sales on eBay and were graded by professional grading services. I've discussed these examples with other long-time collectors so the comments I share represent those of several experienced collectors/dealers. In this first example, the note was graded as MS-63, Choice Uncirculated. It was titled as a narrow margin specimen with light staining. None of the folks I talked with would consider this a 'choice' note, nor would it be titled as a narrow margin specimen. At best the opinion is CU, but potentially AU if the note could be placed up to light and the marks across the upper right corner be examined for handling.



Here is a 10c 2<sup>nd</sup> Issue reverse specimen that is also titled as narrow-margin, lightly stained and was graded as MS-62: uncirculated. There were no comments about the paper. While difficult to discern, it



appears that this example has the engraver's wide-margin trim lines, yet the grader designated it as a narrow margin example. Do these graders actually know what narrow margin and wide-margin specimens look like? Why did one grader assign the obverse example above a choice designation as oppose to the grader of the 10c reverse? Personally I collect choice or better notes, and if I held these they would be in my trading stock...not my main collection. I would classify them as wide-margin and wouldn't grade them above CU, as the stains/etc. don't place them in the same league as other

choice examples in these series or other CU examples without stains.

On the left is a 2<sup>nd</sup> issue 50c Reverse specimen titled as a narrow-margin example and graded MS-66. The example on the right is a 1<sup>st</sup> issue 25c obverse that is titled as a wide-margin specimen graded



MS-30. Ignoring the grade designation and simply looking at the size of each note's margins, one has to wonder why the 25c example is considered a wide-margin specimen and the 50c example considered narrow-margin. One might expect that different professional grading



services would have different standards that they would apply. However, the irony here is both notes were graded by the same professional service! This doesn't bode well for consistency.

Here's the reverse of the same 25c 1<sup>st</sup> issue specimen above, which was graded Extra Fine. Many times examining the reverse of a note speaks loudly about the true quality of the particular example. In this case, it's screaming "What was the grader thinking of?" This note needs a warm iron press to just to get close to EF given all the folds, handling, corner bends, etc., not to mention the thin/removed inking on the bottom center obverse image and the uneven cuts.



The final example I wish to share was sent to me by a friend. The grading service classified this block of 4 notes as AU, with

exceptional paper quality. When my friend approached the seller and questioned the designation, the seller indicated that if the notes were cut-out along the folds between the notes, then each of the individual notes would be graded AU and as such, the sheet of 4 was graded AU. I don't know about you, but if I wanted 4 AU notes, I'd purchase 4 individual notes. On the other hand, there's a premium when purchasing blocks of notes, and the grade designation would apply to the piece in its entirety. And with all the folds (there's even a pressed vertical fold just right of middle on the left pair), tipped corners, handling marks, etc., our collective assessment is this is definitely not an AU block of 4.





All the professional grading services offer money-back guarantees. But what they are guaranteeing is basically their opinion. How much success do you think one would have in getting a professional company to agree that they were wrong when there's a difference of opinion between themselves and another such service, or even another collector? Especially when under the terms of their guarantee they may be obligated to some monetary impact, let alone the potential marketing/integrity impact.

To obtain an opinion from another professional grading service, most require that the note be removed from any existing holder, as they would understandably want to physically examine the item. This, however, may invalidate the guarantee provided by the originally grading service, thus nullifying any obligation they may have to justify their grading assessment.

The dictionary defines "professional" as *an individual engaged in an occupation as a paid job rather than as a hobby*. However, the definition does not indicate that the individual is properly trained, skilled, qualified or even experienced. And yet it seems that by placing a note in a sealed holder with a logo and an opinion as to its grade, that collectors and investors should accept these quality designations on blind faith.

Clearly there is no substitute for an educated, knowledgeable individual in any field. There are some absolutely stunning examples of notes held by members of the fractional community. However, these notes are seldom seen, as they are hidden away in some very private collections. Many of the people that are investing in fractional today because it's graded by a professional company, as well as some of the people that are actually grading notes for these companies, don't appear to have an appreciation for the quality that does exist within the census of a variety. As such, Caveat Emptor...



## "Did You Know..."

By

Robert J. Kravitz

P.O. Box 6099

Chesterfield, MO 63006

314-878-3564

Some 154,799,200 50c 4<sup>th</sup> issue notes were issued. Just 19,152,000 were the Lincoln notes. Lincoln notes were issued for just 5 months: July 1869 – Dec 1869. They were stopped and also recalled because of counterfeiting!

*(Editor's Note: The following Article is reprinted from Vol 17. Whole No. 73 issue of "Paper Money" with permission from the Society of Paper Money Collectors.)*



One of the most interesting and complex series of notes within the field of U.S. Fractional Currency is the 50¢ "Justice" type of the Third Issue. The type contains over 30 varieties; having been issued with red backs and green backs, printed signatures and autographed signatures, with and without bronze surcharges, and on different types of security papers.

To complicate things further, the addition of position figures indicative of the each's note's position on the original sheet adds more varieties. Normally, Justice notes were printed with 12 subjects to the sheet. The position designators "1" or "a" or both were used to indicate the notes' position on the sheet (Fig. 1).

The upper left note on a sheet showed both the "1" and the "a". The top center and upper right notes showed only the "a", while the notes along the left side (except, of course, the top note) showed only the "1". As illustrated by Fig. 1, notes which carry both the "1" and the "a" are six times as scarce as notes with no position figure; the "a" notes are three times as scarce, and the "1" notes twice as scarce.

Because the final loop on Francis E. Spinner's famous flourishing signature always entered into the design of the note to the right, all Justice note varieties with the "a" only, or no position designators, must show the presence of

this loop. Of course, as most collectors of Fractionals know, many of the Justice notes were poorly trimmed, due to the narrow margins between notes on the sheet. The spacing was, in fact, closer than on any other Fractional type. So, in cases where the note has been closely trimmed on the left, the loop from Spinner's signature may have been scissored off. But, if there is any sort of left margin or if the note is not trimmed into the design, that loop is easily seen.

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by Tom Knebl

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I was quite satisfied with the above information until I read an article published in 1972 by Martin Gengerke, an avid collector and researcher in the field (Paper Money, vol. 11, #2, Whole 3 42). The balance of this article is possible only through his research and help.

In examining the plate proofs in the files of the Bureau of Engraving and Printing, it was discovered that a few Justice note plates were arranged with 30 subjects—three across and 10 down—rather than the usual 12. On one of these, (face plate #62) all 10 notes in the left column had the position letter "a" only, rather than the figure "1" or the combination of letter and figure.

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# JUSTICE PREVAILS

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2		
a	a	a
1		
2		
2		

Above: Figure 1—Regular Justice sheet showing the 'normal' location of plate position figures.

a		
a		
a		
a		
a		
a		
a		
a		
a		
a		
a		

Right: Figure 2—Location of position figures on a 'sheet' from plate #62.

Far Right: Figure 3—Location of position figures on a 'sheet' from plate #5.

a	a	a

On another plate, (face plate #5) the top three notes had the "a" only, and all others had no position designators (Figs. 2 and 3). As mentioned earlier, any note with the position letter "a" alone would always show the end of the signature loop from the note to its left (Fig. 4), unless it was from plate #62 or the upper left corner note from plate #5.

Whether or not any regular issue notes were printed from these plates could not be verified until an actual specimen was discovered. This would require a Justice variety with the position letter "a" only, a fairly decent left margin and no signature loop.

After learning this, I began to examine every "a" note I

could find, hoping to find this "no loop" variety. This in itself is not an easy task, as the whole Justice series is quite scarce. Many varieties are almost impossible to obtain—especially in decent condition—and it becomes quickly apparent that the series is full of super sleepers, by today's standards.

I visited shows, examined dealers' stocks, (what little there are) but to no avail; all of the notes I saw had the errant loop. I had all but given up when one evening, while evaluating a group of Justice and Spinner type notes I had just acquired, I realized that the Friedberg-1365 I was looking at did not have the loop (Fig. 5). Upon a closer examination, it was also found that the note had an

Figure 4—Showing location of a signature loop on a regular 'a' only Justice note.

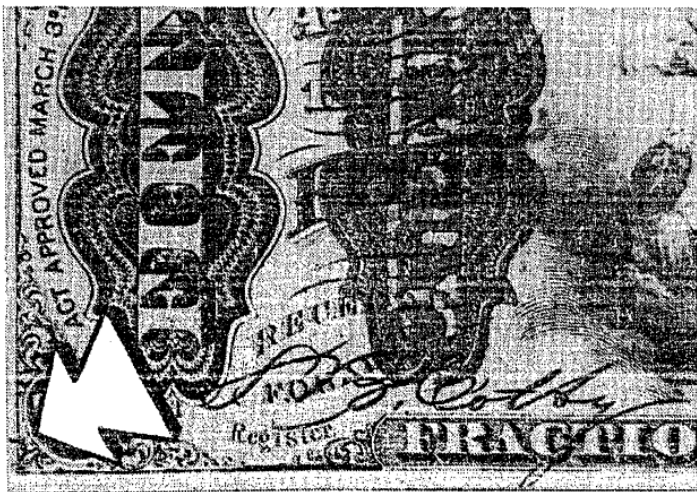
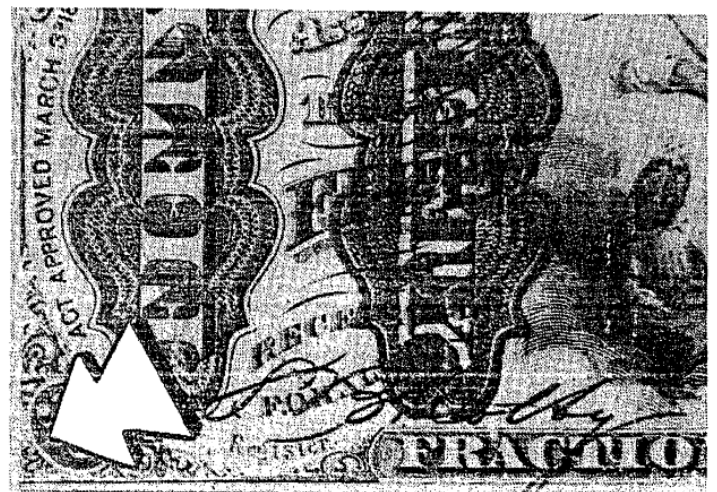


Figure 5—No signature loop from note to left.



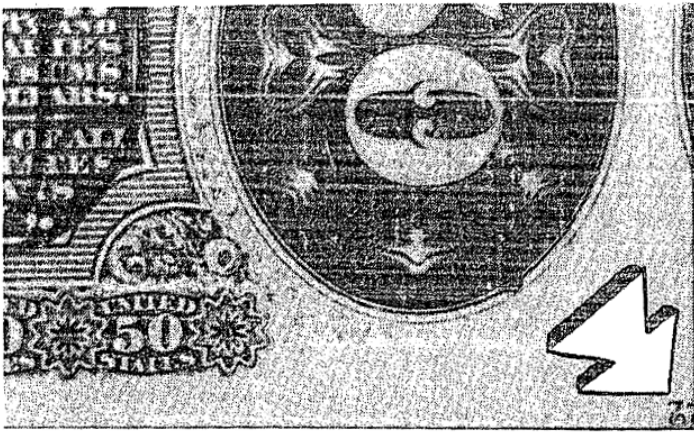


Figure 6—Normal location of an inverted plate number.

inverted plate number (#29) on the back, but in the wrong location for a normal “a” note.

Usually an inverted plate number would appear at the intersection of the upper right four notes on the sheet. An “a” note, when it shows an inverted plate number, normally would have the number at the lower right corner of the back (Fig. 6).

A “1” and “a” note would show this number, when it appears, in the lower left corner of the back. On this Fr. 1365 note, the inverted plate number was in the lower left corner, (Fig. 7) which would put this note in the upper right corner of the sheet (when viewed from the back). This, of course, becomes the “1” and “a” note position when the sheet is turned over. Additionally, there was some ink smear evident along the top and left edges of the back, indicating that same corner position. The edges of a sheet were very prone to receiving these smears and smudges, and although they are the bane of many condition-conscious collectors, they can at least be useful as indicators of a note’s position on a sheet.

Of interest also is the fact that back plate #29 was

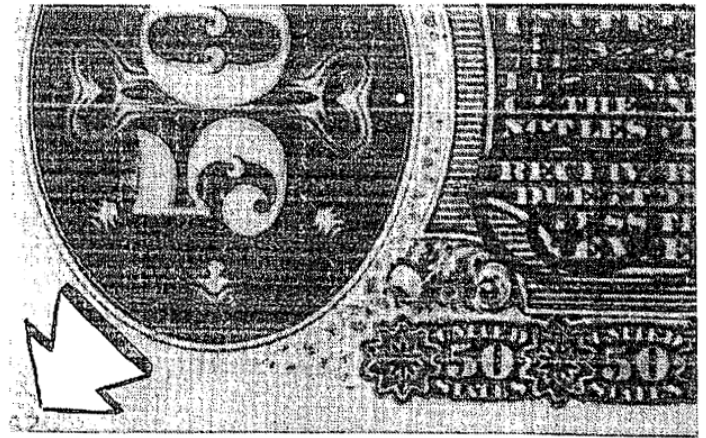


Figure 7—Location of inverted plate number 29 on FR 1365a.

indeed inverted, but was a 12-subject plate, rather than a 30. This would indicate that the 30-subject face plates were cut to 12 before being used. This was, in fact, positively done. It was stated in an old ledger, (Record of Plates, No. 1, National Currency Bureau) “plates of thirty—cut to twelve.” The ledger was found in the BEP, buried on a shelf behind some other volumes. Also interesting is the fact that this cutting down of plates was also done with some of the plates used to produce Fractionals of the Second Issue. There are uncut sheets of the Second Issue which show traces of additional notes from these larger plates.

It was noted in the ledger that Justice plate #5 was dated November 22, 1864; plate #62 was dated April 20, 1865, and back plate #29 was dated December 9, 1864. It is my guess that the example presented here is from face plate #5.

Now that this “no loop” variety is known to exist, we are confronted with a legitimate new sub-variety. It would be most interesting to hear about any other specimens that may now be discovered, and correspondence on the subject would be welcome.





## **JAMES POLIS**

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# Unusual Surcharge/Stamp...?

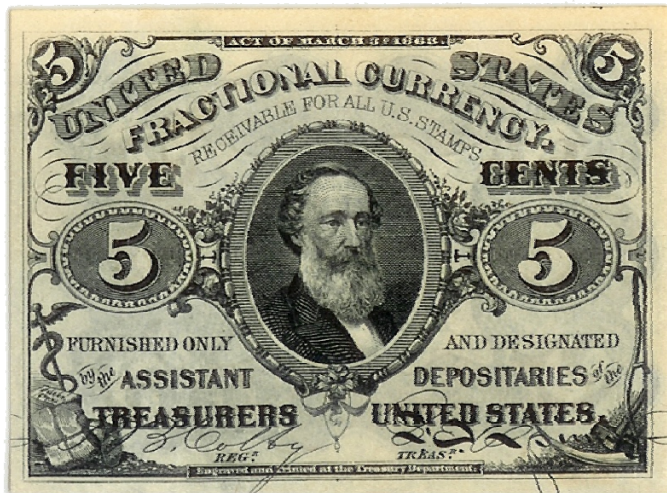
By

George McNiel

I have been a FCCB member for about 5 years (collecting for 7+ years). A previous newsletter article (Summer'2004, page 9) talked about discrete marks identified on Clark notes (3rd Issue 5 Cent) which I found both interesting and puzzling. Interesting in the sense that so much attention was spent on Clark notes and special/unique marks. Puzzled since I have a FR-1238 with a "W" surcharge on the reverse and nothing has been discussed regarding possibly unique surcharges. Looking at the note closer through magnification, it appears that the ink is similar if not exactly like the surcharge ink used throughout 2nd & 3rd Issues.

Shown are the obverse and reverse scans of this note. Both the "W" and "." (to the right of the "W") appear to be with the same ink.

If any member would like to help provide information on what this marking is and what "W" may mean I would appreciate it.



*Editor's Note: Mr. McNiel's contact information is listed on the Membership List; or if you prefer, contact me and I'll pass the information along.*

